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TO: Renata Hesse: Anti-Trust Division

DATE: 01/25/2002

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FROM: Attorney General Patricia A. Madrid

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TOTAL NUMBER OF PAGES INCLUDING THIS PAGE: 2

MESSAGE: _____

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January 25, 2002

Renata Hesse
Antitrust Division
US Department of Justice
601 D Street NW, Suite 1200
Washington, DC 20530-0001

Re: Proposed Settlement with Microsoft

Dear Ms. Hesse:

As Attorney General of New Mexico, I determined shortly after the decision by the U. S. Court of Appeals for the District of Columbia that the Microsoft antitrust lawsuit should not be litigated any further and was ripe for a speedy resolution. I believed that the litigating states' continued pursuit of a structural remedy was no longer appropriate. Accordingly, in July 2001, I was the first to enter into a separate settlement agreement with Microsoft for the State of New Mexico. It was my hope that this decision to settle would open the way for the remaining litigating states to pursue their own acceptable settlement terms.

I am glad to see that hope finally realized. I have been of the firm belief that it was time to settle this case and to move forward. I believe the current settlement pending between Microsoft and the Department of Justice and nine of the remaining litigating states imposes appropriate conduct sanctions, while not unduly inhibiting Microsoft's ability to innovate and market its products. I believe that the best interests of consumers, the computer industry and the national economy will be served by bringing this lawsuit to this agreed-to conclusion.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia A. Madrid", written over a horizontal line.

PATRICIA A. MADRID
ATTORNEY GENERAL